

THE OFFICE OF EFFICIENCY REVIEW  
BEST PRACTICES AND GUIDELINES FOR IMPLEMENTATION

ADC Software License Reconciliation

Name of Agency & Director

Arizona Department of Corrections (ADC), Director Dora Schriro

Background and Summary of Best Practice

State agencies routinely purchase and renew software licenses each year. At ADC, we secure software licenses for individual employees including Novell to access the Department's network, Group Wise e-mail, Adobe Acrobat, Microsoft Office, Microsoft Project, ZenWorks and Visio.

Over the past several years ADC has experienced extraordinary staff turnover and some increase in FTE and, during this time there was no formal asset management system in place. Until recently ADC secured additional licenses to outfit its new personnel rather than re-issue existing licenses, and as a result spent more than necessary to equip staff.

Savings and Benefits

About 5,200 ADC employees use Novell to log onto the Department's network. We recently completed a reconciliation of current Novell software licenses assigned to existing staff for network access. The license reconciliation provided an accurate count of all "active" employees with network log-in accounts. After completing the "license true-up inventory," we identified 308 active licenses that were no longer assigned to any ADC employee. By completing the reconciliation prior to the start of the fiscal year, we were able to eliminate a number of Novell licenses representing a savings of \$48,669 in FY 2007 as Novell costs are paid in the 4<sup>th</sup> quarter.

Novell licenses	
FY 2006 costs	\$320,799
FY 2007 costs	\$272,130
License cost/each (approx)	\$158
<b>Eliminated</b>	<b>308</b>
<b>FY 2007 SAVINGS</b>	<b>\$48,669</b>

Now, as employees leave the Department or assume different responsibilities Novell software that is no longer used, is reassigned to new employees or cancelled.

Savings Redeployed

Any cost savings will be redeployed, reducing budget shortfalls and lowering annual operating expenditures.

Status

Novell has agreed to the reduced software license count and has modified costs to the revised total. Payment for the fiscal year will be made in April 2007.

How to Implement This Best Practice in your Agency

Agencies can accomplish asset management with software or taking stock manually, comparing the list of current/active network accounts with the number of licenses for which your department is charged annually. Typically, Systems Administrators can provide user information and Budget Administrators, the current billing/contracts. Any gap in the numbers of users and licenses should be disputed and reconciled with the vendor.

ADC also recommends realigning licenses renewal dates before beginning the review process to reduce the number of reconciliation reviews conducted in subsequent years.

Law/Policy Change: None

External Partners: None

Contacts for Assistance

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